



February 2004 Edition

Air Traffic Organization

The new Air Traffic Organization (ATO) was formally established on February 9, 2004. The ATO consists of ten functional service units – Safety, Communications, Operations Planning, Finance, Acquisition and Business Services, En Route and Oceanic, Terminal, Flight Services, System Operations, and Technical Operations.

The flight service option holds a more prominent position in the ATO than previously held in the Air Traffic organization. It will reside in the Flight Services service unit, led by Jim Washington. The offices comprising this service unit include the Most Efficient Organization (MEO), Operations, Program Operations, Safety and Operations Support, Finance and Planning, Administration and Communications. Nancy Kalinowski has been named as the director of Flight Services Communication. She will work for both Jim Washington and John Thornton, the Vice President of Communications. The competitive sourcing staff is excited about the opportunity to work with her in our ongoing communications efforts.

The Office of Competitive Sourcing Acquisition (ACA) has been realigned under Acquisition and Business Services (ATO-A). The organization is now called Competitive Sourcing. The realignment does not require any personnel movement of current ACA staff.

Additional information on the ATO reorganization is available at <http://ato.faa.gov/>.

Omnibus Bill

H.R. 2673 - Public Law No: 108-199

The omnibus spending bill, that contains the fiscal year 2004 appropriations bills for several Federal departments and agencies (including the Department of Transportation (DOT)/Federal Aviation Administration (FAA)), was signed by President Bush on January 23, 2004.

This bill includes a pay raise for civil servants and military personnel. Specific information regarding the pay adjustments and locality pay can be found at <http://www.faa.gov/ahr/comp/index.cfm>.

Information on the strategic performance results that determined the amount of the Organizational Success Increase (OSI) is available at <http://ks.faa.gov/voice.nsf>, under Monthly Performance Report. The fiscal year 2003 year-end report is currently posted. This report tracks the agency's performance in relation to the FAA performance goals. Competitive outsourcing is included as one of the President's Management Agenda items, and can be found on page 11 of the report.

Acquisition Team Update

The FAA published its formal public announcement for the Automated Flight Service Station (AFSS) public-private competition in accordance with the Office of Management and Budget (OMB) Circular A-76 on December 19, 2003. The announcement stated that offerors seeking to compete as prime service providers in the acquisition were required to submit a notice of intent to the FAA Contracting Officer (CO) no later than January 15, 2004.

In conjunction with the release of this announcement, the first draft of the Screening Information Request (SIR) was also released. As part of the ongoing process of



developing and enhancing the solicitation, interested parties were asked to provide comments on the SIR to the CO no later than January 26, 2004.

Notices of intent were filed by 10 potential prime service providers, including the MEO. Based on the number of respondents, the FAA is exercising its ability to conduct a down-select activity. This process will narrow the field of offerors to only those that are likely to receive an award based on their demonstrated capabilities, past performance, and financial viability. Since it is based on past performance the MEO will get a "bye" until the final SIR and will not participate in the down-select. The down-select activity should be completed by the end of April.

Comments on the draft SIR were received from parties representing private industry, the MEO, and the National Association of Air Traffic Specialists (NAATS). The Acquisition Team is currently working closely with members of the Performance Work Statement (PWS) team to review these comments and revise the SIR accordingly. It is anticipated that a second draft of the SIR will be released to potential prime service providers by mid-March.

PWS Team Update

The PWS is Section C of the SIR that was released as a draft in December 2003. In response to the release of this draft, over 300 comments on the PWS and the associated technical exhibits were received. These comments along with the comments from other sections of the SIR, are being reviewed by management to determine what modifications need to be made to clarify the description of services to be provided and ensure the most complete and accurate PWS.

The draft Quality Assurance Surveillance Plan (QASP) was also released along with the SIR. The QASP identifies the methods the FAA will use to measure the performance of AFSS services. More than 150 comments were received on this document alone. The PWS Team will now focus on the revision of this document and the development of specific performance measures.

The entire PWS Team will meet in Washington on February 24-26, to review the revisions to the PWS and QASP and to help develop specific performance measures to be used by the agency to ensure the quality of service.

Thanks to all those who provided input to the functional workshops, workload collection and other inquiries. The workload data collected and other available workload data has been released to potential prime service providers. Over the next few months, additional inquiries may be made to the AFSSs to fill in the gaps of any missing data. Your continued support is greatly appreciated.

Potential Prime Service Providers

FAA Most Efficient Organization (MEO)

Computer Sciences Corporation (CSC)

Lockheed Martin Corporation

Northrop Grumman Corporation

Burns & Roe Services Corp.

Raytheon Company

Science Applications International Corporation (SAIC)

Unisys

VT Griffin Service, Inc.

Wade & Associates, LLC

Website Updates

The ACA website continues to serve as the primary source of information related to the AFSS A-76 competition. The site will continue to provide information related to the competition, though further iterations of the SIR will be distributed only to primary points of contact identified by each potential prime service provider.

Note: HRM plans to utilize their website to post personnel-related Q&As about the AFSS A-76 competition. The site should be available in late February 2004.



Highlighted Recently Asked Questions

Has the requirement changed for the contract bidders to beat the MEO by 10%. If so, can you provide a brief explanation?

Attachment B, Section D5c(4)(c) of OMB Circular A-76 says that in order for a vendor to be the low cost offeror, their bid must be \$10 million or 10% lower than the MEO's labor costs. That provision still stands. However, cost will not be the only factor on which the award is based.

Based on the waiver granted by OMB, the agency will utilize a best value approach for determining the competition winner. The significant factors that will be used to determine the winner will be a balance between the ability to provide the service, cost, and risk. Once the bids are evaluated, if some competitors are virtually equal, the cost factor will come into play.

What is the future of the flight services aka flight service stations?

The FAA has no intention of eliminating the services provided by AFSSs. The agency recognizes the importance of the Flight Service function and how it integrates into the National Airspace System. The A-76 competition is an opportunity to provide the AFSS service with a constant funding stream, encourage innovative processes, introduce improved technology, balance workload and staffing, and address the aging facilities and inadequate equipment.

The competitive sourcing activity is being conducted to ensure the most efficient, highest quality service is delivered to the users. The Government bidder, the MEO, will compete on a level playing field with vendors. Regardless of who is selected under this competition, the FAA will still have the total responsibility for the oversight of safety and quality of services. There will be a comprehensive quality assurance process to continuously monitor services being provided and ensure that those services are as good as or better than services being provided today.

If someone executes their Right-of-First-Refusal (ROFR) and goes to work for a contractor, what happens to their retirement under FERS and CSRS? If they are not eligible to retire, will they still be able to get a partial retirement at 62?

Employees separating from the federal government (voluntary or involuntary) may elect to:

- Take an immediate early retirement if eligibility for discontinued service retirement or optional retirement is met (age 50 with 20 years service; any age with 25 years). This would be a monthly benefit that would start immediately.
- Withdraw their retirement fund if retirement eligibility above is not met.
- Leave their retirement money in their retirement account and withdraw at any time in the future. (If an employee is rehired under federal employment, all money in their account - past and future - is counted toward their retirement annuity.
- Leave their retirement money in their account until age 62 and then draw a monthly retirement benefit (they need at least five years of service credit to be eligible to do this).

On the issue of whether an employee can immediately draw their CSRS or FERS retirement, the options outlined would apply, regardless of whether ROFR is exercised.

AFSS personnel are bombarded with the advice 'to just be patient' and 'it is a good idea for everyone to make sure that their OF612's and /or resumes are up to date.'

Question 1: Is the FAA generating the above advice to Human Resources (HR) to disseminate to AFSS personnel?

Question 2: Will the FAA place AFSS personnel in other FAA options?

Question 3: In the statement above, is the FAA telling AFSS personnel to expeditiously seek outside employment?

Question 4: Does the FAA intend to implement and follow OMB procedures as specified in Circular A-76 Revised Supplemental Handbook Performance of Commercial Activities - Part 1, Chapter 1, Paragraph H, Items 3. a, b, c, d?

Question 5: Does the head of the FAA intend to ask the Office of Personnel Management (OPM) to permit early retirement for eligible employees as specified in the CSRS and FERS Handbooks, Chapter 43: Early Voluntary Retirement?



The Office of Human Resource Management (AHR) provided the following: The issues around placement and Reduction-in-Force (RIF) are of paramount concern to all involved with this process. It would make it a whole lot easier if it was known exactly where everyone would be on or about October 2005. Unfortunately, it is too early to provide a definitive answer.

However, what is known is this, if the contractor prevails in the competition decision, all affected employees will be separated unless they are offered other positions in the federal service or they elect to retire. If the MEO prevails, the number of affected employees separated will be directly related to the difference in staffing levels between the current and proposed staffing models. In both instances, reductions will be handled in accordance with the FAA's policies and procedures governing staffing adjustments and RIFs. FAA Order 3350.2C, Staffing Adjustments and Reductions In Force (<http://www.faa.gov/ahr/policy/order/orders/33502c.cfm>) provides that when the number of employees in any organization or occupation must be reduced, management shall make every reasonable effort to place surplus employees in other jobs or regions of the agency with the least possible interruption to their careers and personal lives. Separation of employees by RIF shall take place only after all reasonable alternative actions have failed to solve the surplus problem. This guidance, and others in the agency, is consistent with that outlined in the A-76 circular.

AHR is committed to working with the management officials in the ATS/ATO organization to explore every reasonable alternative to minimize any adverse impact to employees. Decisions around placement, retraining, early-outs, qualifications waivers, etc., are an integral part of establishing reasonable alternatives, and these must be firm before the agency can proceed. In any event, placement efforts require that individuals have updated OF-612s, resumes, etc., for skills assessment, career counseling, retraining, selection priority, etc. That is the reason that this advice is being shared--it is advance preparation for anticipated events that will occur within the next few months. Human Resource Policy Manual (HRPM) number EMP-1.22, Career Transition Program, (<http://www.faa.gov/ahr/policy/hrpm/emp/emp-1-22.cfm>) provides the authority and guidance for career transition in the agency that will be used once final decisions are made.

AHR hopes to have more information soon.

NOTE: AHR is responsible for communicating personnel information to directly affected employees and their representatives. Please forward your personnel-related questions and/or issues to Renee Anderson. Ms. Anderson can be reached via email at renee.anderson@faa.gov or by telephone at 202-267-3907.

